

The Khayaal Theatre Company

Charity No. 1100005

Company No. 03597083

Trustees' Report and Unaudited Accounts

31 July 2021

	Pages
Trustees' Annual Report	2 to 8
Independent Examiner's Report	9
Statement of Financial Activities	10
Summary Income and Expenditure Account	11
Balance Sheet	12
Statement of Cash flows	13
Notes to the Accounts	14 to 19
Detailed Statement of Financial Activities	20 to 21

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the unaudited financial statements of the charity for the year ended 31 July 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Company No. 03597083

Charity No. 1100005

Registered Office

42 Alexandra Avenue

PO Box 2523

Luton

LU3 9BN

Directors and Trustees

The Directors of the charitable company are its Trustees for the purposes of charity law.

The following Directors and Trustees served during the year:

R. Mughal

S.H.H. Naqvi

F. Qureshi

G. Virani

Company Secretary

L.A. Ali

Accountants

Sabat Accountants Ltd t/a Seymour King

Suite G1

Hartsbourne House

Delta Gain

Watford

WD19 5EF

OBJECTIVES AND ACTIVITIES

The objects for which the company is established are to promote, maintain, improve and advance public education particularly through the research, development, production and performance of drama and theatre inspired by and adapted from Muslim literature and the wisdom literature of other faith traditions.

The company's activities typically include touring stage performances (Theatre-without-Walls), running drama workshops, devising and running theatre-in-education programmes, publishing children's books, training, advocacy and consultancy.

ACHIEVEMENTS AND PERFORMANCE FOR 2020-2021

Due to the ongoing coronavirus pandemic and related restrictions, we continued to deliver the vast majority of our work online either through hosted virtual events using Zoom or through the streaming of existing and new digital content on our social media channels/platforms (YouTube, Facebook, Instagram, Linked-In and Twitter) and our Amazon Add-on partner, Alchemiya. We were fortunate to have had success in securing grant support from the first and second rounds of the DCMS/Arts Council England' Cultural Recovery Fund in order to sustain our work through this most challenging time.

"I am sure the honourable lady will be aware of the many, many organisations and individuals working in Luton that have benefitted from that emergency funding, for example the brilliant Khayaal Theatre Company who as she knows are a multi-award winning theatre and drama education company ..." – Caroline Dineneage, Minister of State for Digital and Culture applauded Khayaal by name in parliament on 22nd Sep '20 as part of an adjournment debate on arts and culture in Luton sponsored by Luton MP Rachel Hopkins.

Over the period August-December 2020, we delivered 11 online events comprising 12 performances/workshops and 9 offerings benefitting national and international audiences numbering 4000 mostly with new partners across four sectors (faith/interfaith, education, culture and commercial). The highlight of this period was our tremendously successful new performance storytelling offering, Muslim Nativity, commissioned by the Compass Network at Norton Rose Fulbright to console and inspire hope in its staff, partners, clients and friends through the Christmas and New Year holiday season in quarantine. Other partners over this five-month period included The Reading Agency UK; University of Sheffield's Festival of the Mind; BPP University; Creation Theatre, Oxford; Muslim Cultural Heritage Centre, London and Birchfield Independent Girls School, Birmingham. Offerings included Riding a Donkey Backwards, Rumi Tales, 1001 Stories, Conference of the Birds and Muslim Heritage Stories.

"Atheist household here (raised Muslim and Christian) - very much enjoyed this and value the perspective. Nice to get multiple perspectives for our child." – Atheist on Muslim Nativity

It's a great production and she is a wonderful storyteller! It takes a real gift to keep attention with only your person and your voice. I think we could learn something of telling the story contextually from this. It was brilliant how it wove contemporary themes (and Christmas music) into the story ("Chestnuts roasting on an altar fire..."); poverty, injustice. And the haunting use of the melody of "O Come O Come Emmanuel, but contextually changed to an Islamic theme." – Christian on Muslim Nativity

"A belated thank you for streaming the nativity again. I watched a few times over the short time it was streaming - captivated by the performance, ambience, and the learning from the prophetic story itself." – Muslim on Muslim Nativity

We began 2021 anticipating an imminent return to physical touring of our on-demand Theatre-without-Walls (TwW) performance and workshop offerings in view of the sustained demand that we continued to receive from new and existing partners seeking to reconnect their communities. However, it was not until the end of March, a full year after the pandemic compelled us to migrate online that we were able to serve physical audiences. Thereafter, we were only able to intermittently tour TwW offerings to our national network of partners as and when government restrictions permitted us to do so. When this was not possible, we continued digital/virtual delivery especially through our peak Ramadan and Eid season when tens of thousands of people joined us on YouTube for new film adaptations of thematic collections of Muslim heritage stories that dovetailed with the 3 ten-day periods of Ramadan: Mercy, Forgiveness and Deliverance.

Preceding our YouTube channel storytelling offerings for Ramadan and Eid (Apr-May 21), we started the year shooting our long-awaited TwW special offering of the pandemic which we premiered on 28th February. Edhi Means Love proved a huge success with global audiences. The 40min film tells the story of the peerless Pakistani humanitarian of his time, Abdul Sattar Edhi, blending together theatre and film syntaxes in a compelling way that epitomised the creativity and ingenuity that characterised so much of the British cultural sector through the pandemic.

Over 1K people joined us online for the premier screening of Edhi Means Love and the overwhelming response was gratitude and acclaim for this first ever professional film production on the life and mission of the communitarian visionary who created a national welfare service for Pakistan from scratch. In subsequent monthly screenings between Feb-Aug, many hundreds more people joined us to reflect on and draw inspiration from this exemplar of the humanitarian values that people all over the world came to cherish and exemplify through the pandemic. Edhi Means Love was covered by BBC Asian Network, BBC 3 Counties, ARY Digital, The Daily Jang, Islam Channel and many local radio community stations across the country.

"My pleasure. Your virtual productions have been one of the highlights of this unusual year. My son loves them..." – Anthony Riccio on Edhi Means Love

"Thank you, Lugman Ali and team, for producing such an inspirational online event this evening with the Khayaal Theatre Company. I am feeling truly inspired now I know the story of Edhi and the beginning of the Edhi Foundation. A definite plus to track and trace self-isolation this week - much more interesting than my normal Thursday swimming lesson! #thankyou #humanitarian #edhimeanslove #ambulanceservice #charity #lovethis #loveforall #edhi" – Laura Marinello

"...I've just finished watching the film. It was as compelling as it was gripping. It has the force to move strong people to tears. ... For now can only say that you have made a major contribution towards civil society by making this film." – Ranjit Sondhi CBE on Edhi Means Love

"The film is beautiful. .. Faroque is brilliant!" – Shahidul Alam on Edhi Means Love

We were fortunate to attract new host partners, both national and international, for co-hosted online events comprising performances and/or workshops through the March-July 21 period. These included Sinclética Monastic School, Spain; Denbigh School, Milton Keynes; Old Catton CoE School, Norfolk; and Newham World Festival, London; Edhi Foundation UK and Luton Foodbank. The offerings shared with these partners included Edhi Means Love, Muslim Nativity and House of Wisdom in the Golden Age of Islam for Key Stage 2 pupils.

2020-2021 Facts & Figures

Physical Output

Physical Performances & Workshops: 8 Multi-Sector Host Partners: 2 Local Authorities Reached: 2 Live Audiences/Beneficiaries: 220

Sectors: Education

Digital Output

(1)

Hosted Online Performances: 21

Multi-Sector Host Partners: 12

Countries Reached: UK, USA, South Africa, Canada, Pakistan, Spain and beyond

Digital Audiences/Beneficiaries: 5,500

Sectors: Faith/Interfaith, Community, Culture, Education, Academia, Charity and Commercial

(2)

Digital Content Offerings (Films and Audio): 14

Channels/Platforms: Facebook, Instagram, YouTube, Vimeo, Linked-In, Soundcloud, Alchemiya, Islam Channel, BBC Asian Network

Digital Audiences/Beneficiaries: 200K minimum

Project offerings in order of quantity delivered:

- Muslim Heritage Stories from Afghanistan, Iraq, Palestine, China, Pakistan, Iran, India, Tunisia, Bangladesh, Yemen, Mali, Nigeria, Syria, Somalia, Tanzania, Sierra Leone, Turkey, Syria, Uzbekistan, Andalucia, etc. 80%
- Other: Adventures in Sustainable Play, House of Wisdom in the Golden Age of Islam, Muslim Nativity, Edhi Means Love, Riding a Backwards and Conference of the Birds 20%

New performances and workshops researched, developed, produced and presented:

- Adventures in Sustainable Workshop Play Pack for University of Sheffield, Festival of the Mind, 15mins
- Life and Death at the Well, A Hausa Tale film, 6mins
- 1001 Nights and other Stories for BPP University Freshers Event via Zoom – 07 Oct consisting of The Doctor's Helper (Iraq), 25mins and Abu Jasim's Boots (Iraq), 20mins
- Conference of the Birds Drama Workshop for Creation Theatre via Zoom 09-14 Nov, Oxford, 60mins
- Jesus Christ: Muslim Nativity for Norton Rose Fulbright, 25 Dec, 42mins
- Sweet Exhale, a 10-min poem by Sukina Pilgrim for Khayaal's Muslim Nativity events
- Edhi Means Love with Edhi Foundation UK, Feb 2021, 40mins
- Ramadan Tales performance storytelling for film, 3 May 2021, 100mins
- Eid Stories performance storytelling for film, 13 May 2021, 27mins
- The Root of Treasure by Rumi 12 mins
- The Merciful Encounter by Rumi 12 mins
- The Courageous Daughter from the Uighur people of China 30mins

Total of 399mins or 6.6hrs of new offerings

Developments in the Wider Work of Khayaal 2020-2021

- Muslim heritage stories performance extract aired on British Muslim TV (via Sufi Festivals, Glasgow) 8-9 Aug 2020
- Muslim heritage stories performance extract aired on Islam Channel (via Young Muslim Writers Awards) 12 Aug 2020
- We worked in partnership with English Touring Opera on a new opera film and education pack exploring the story of how Ibn Al-Haytham discovered how we see for Key Stage 2 pupils in schools across the country in October-November 2020. The production has now toured to over 100 schools.
- UK Law Firm Celebrates Jesus in Islam
<https://aboutislam.net/muslim-issues/europe/uk-law-firm-celebrates-jesus-in-islam/>

- Muslim Nativity and Edhi Means Love raised over £2K in for charity partners Edhi Foundation and Luton Foodbank
- This year an exchange in parliament demonstrated the way in which discrimination and exclusion work. As part of an adjournment debate that she sponsored on 22nd September, Luton MP Rachel Hopkins while advocating for a particular non-BAME Luton-based arts organization erroneously asserted that the only Luton arts organization eligible to apply to the DCMS's Cultural Recovery Fund was the one she was referencing. In doing so, she discriminated against and excluded by omission Khayaal, which is the oldest professional theatre company in Luton. In our experience, this type of exclusion usually passes without correction or challenge, hence the disadvantage and deprivation we've long endured. Fortunately for us on this occasion, however, party politics worked in our favour as the Conservative Culture Secretary had done her homework and left our local Luton MP on the back foot by countering that there were other arts organisations that were eligible to apply and proceeded to applaud Khayaal and list it among local Luton arts organisations that were supported by the Arts Council's initial Covid-19 emergency fund.
- We continued to advocate for justice and equity in the UK cultural sector for BAME audiences, artists, cultural practitioners and cultural producers in relation to socio-cultural opportunities, recognition, access to public space, funding and representation. Interlocutors on these issues included Arts Council England, Esmée Fairbairn Foundation, Paul Hamlyn Foundation and Amal. Despite public acknowledgements of structural injustice and inequity in the sector and the formulation of new funding policies to address these issues on the part of funders and development agencies in the wake of George Floyd, Windrush and the disproportionate impact of Covid on minority communities, we continued to experience exclusion and a lack of understanding of the society-wide inequalities and disparities that stifle the aspirations of minority cultural actors. These include but are not limited to unjustifiably high thresholds and inflated expectations on the part of funders when it comes to scale of operation, impact and turnover that can only be based on the erroneous assumption that minority cultural producers benefit from equal access to resources and opportunities and a level playing field. By evidencing the wide socio-economic and socio-cultural disparities that disadvantage BAME communities when it comes to average household wealth, employment prospects, physical and mental health outcomes, acceptance and belonging and multiple deprivation, we endeavoured to convince our interlocutors that real equity means calibrating threshold and expectation criteria for support to the realities of the lived experience of minorities in the round. For example, when the average household wealth of a white British family (£314K) is ninefold that of a black African family (£34K), it is manifestly clear that the socio-economic barriers to socio-cultural inclusion and stake-holding where the arts are concerned are in no way comparable.

FINANCIAL REVIEW

During the year under review the charity received unrestricted income of £147,106 (2020: £103,004) and restricted income of £16,666 (2020: £16,667) and had an expenditure of £61,083 (2020: £72,001) and £16,667 (2020: £16,667) for unrestricted and restricted respectively. At the Balance Sheet date the charity held unrestricted funds of £59,601 (2020: £51,800).

Reserves policy

The Trustee Directors have established a reserves policy that holds that unrestricted funds equivalent to a minimum of 12 weeks of the last complete financial year's turnover be held by the theatre company to cover current liabilities, commitments and activities/operations for four calendar months. This equates to £23,770.

The purpose of this policy is to ensure that Khayaal TC is able to act in the interests of its charitable purposes and its beneficiaries, as well as protecting and safeguarding its assets and ensuring that due diligence is taken in complying with current legislation and good practice guidance.

The trustees have given due consideration to the ability of the Charity to continue as a going concern. Due to the continued support the charity receives from its donors and the public, the trustees are satisfied that the going concern basis remains appropriate in preparing these financial statements. Furthermore, the charity believes that the level of unrestricted funds held remains sufficient to support the activities of the charity in the foreseeable future.

Going concern

The trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The trustees regard the foreseeable future as no less than twelve months following the publication of the Charity's annual financial statements. The trustees have considered the Charity's balance sheet position and reserves as at the year end, the future plans for the Charity and the impact of the current Covid-19 crisis, taking account of reasonable possible changes in the income of the Charity and are satisfied that the Charity has sufficient resources to remain in operational existence. Accordingly, they have adopted going concern basis in preparing these financial statements.

Financial and risk management objectives and policies

Risk mitigation has been central to the organisational management processes that have ensured that we have alternately survived and flourished for over two decades. We manage and mitigate risk by maintaining a high level of industry awareness and forecasting. This is achieved by monitoring developments in our sector and related sectors in the media and public forums. We also review our organisational SWOT analysis on a regular basis taking into consideration market trends here and abroad affording us continuous tracking across analysis factors. Where financial risk is concerned, we have primarily employed the combined strengths of scalability, commitment, ingenuity and passion in order to adapt to changing circumstances and transform challenges into opportunities. Our core staff and board of directors share responsibility for risk mitigation.

Principal funding source

Over the year 2020-21, our funding came from a mix of sources as follows:

- Grants 84% (Amal, Aziz Foundation, DCMS/Arts Council of England, HMRC JRS)
- Donations & Gift Aid 9%
- Income from sales and services 6.5% (heavily impacted by Covid-19 / 16% in '19-20)
- In-Kind support and resources in terms of underpaid core staff time relative to multidisciplinary expertise and experience, volunteer time, host partners' contributions of performance spaces, digital channels, staff time, publicity, etc. have been quantified and valued monetarily as equivalent to at least 50% of cash turnover at £80K

PLANS FOR FUTURE PERIODS

- We will work to recover from the pandemic and resume our physical fulfilment of national demand for our Theatre-without-Walls performance and workshop offerings serving mostly disadvantaged and socio-culturally neglected or underserved minority audiences while also retaining and servicing our global digital/online audiences with seasonal film and audio productions. We aim to remodel our socio-cultural enterprise model after the pandemic to incorporate symbiotic physical and digital service lines for wider reach, deeper impact and legacy.

- We will lay the foundations for continuous drama academy provision integrating drama, character virtues and Muslim literature beginning with monthly drama academies for mainly but not solely Muslim children aged 5-15 in Cambridge, Luton and NW London. Once we have established the monthly provision, we will then work to expand to fortnightly and later weekly provision. The Cambridge academy has been up and running for 6 months to date, so this work is well underway.
- Delivering 25-30 physical Theatre-without-Walls performance events nationally with multi-sector partners.
- Leveraging our accrued cultural capital and longstanding, privileged partnerships with BAME/Muslim communities in order to increase our grant funding from public and private funders including trusts/foundations. This will include preparing and submitting an application to Arts Council England to join the National Portfolio of Arts Organisations through 2023-2026.
- Celebrating our 25th anniversary with celebratory events in locally in Luton and nationally in London.
- Redeveloping our website and refreshing and enriching our branding across our social media channels.
- We will initiate work on our 3-year funded PhD project on British Muslim Engagement with Theatre in partnership with Manchester Metropolitan University, the Arts and Humanities Research Council and North West Consortium Doctoral Training Partnership. The project will be delivered by our successful applicant doctoral student Serena Slack-Robins who returns to Khayaal after working with us 23 years ago on our debut production, Conference of the Birds.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is controlled by its governing document, a deed of trust and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in Part 15 of the Companies Act 2006 and in accordance with the Charities SORP (FRS 102).

Signed on behalf of the board

F. Qureshi
Trustee
21 February 2022

Independent Examiner's Report to the trustees of The Khayaal Theatre Company

I report to the charity trustees on my examination of the accounts of The Khayaal Theatre Company for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act).

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I can confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that:

- accounting records were not kept in accordance with section 386 of the 2006 Act ; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements under section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Sajjad Tejani
FCCA
Sabat Accountants Ltd t/a Seymour King
Suite G1
Hartsbourne House
Delta Gain
Watford
WD19 5EF
21 February 2022

The Khayaal Theatre Company
Statement of Financial Activities
for the year ended 31 July 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Donations and legacies	4	25,757	-	25,757	52,267
Charitable activities	5	121,349	16,666	138,015	64,102
Other	6	-	-	-	3,302
Total		147,106	16,666	163,772	119,671
Expenditure on:					
Other	7	139,736	16,235	155,971	88,668
Total		139,736	16,235	155,971	88,668
Net gains on investments		-	-	-	-
Net income	8	7,370	431	7,801	31,003
Transfers between funds		-	-	-	-
Net income before other gains/(losses)		7,370	431	7,801	31,003
Other gains and losses					
Net movement in funds		7,370	431	7,801	31,003
Reconciliation of funds:					
Total funds brought forward		51,800	-	51,800	20,797
Total funds carried forward		59,170	431	59,601	51,800

The Khayaal Theatre Company
Summary Income and Expenditure Account
for the year ended 31 July 2021

	2021 £	2020 £
Income	163,772	119,671
Gross income for the year	<u>163,772</u>	<u>119,671</u>
Expenditure	153,209	88,446
Depreciation and charges for impairment of fixed assets	2,762	222
Total expenditure for the year	<u>155,971</u>	<u>88,668</u>
Net income before tax for the year	<u>7,801</u>	<u>31,003</u>
Net income for the year	<u><u>7,801</u></u>	<u><u>31,003</u></u>

The Khayaal Theatre Company

Balance Sheet

at 31 July 2021

Company No. 03597083	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	10	11,647	665
		<u>11,647</u>	<u>665</u>
Current assets			
Cash at bank and in hand		49,985	57,135
		<u>49,985</u>	<u>57,135</u>
Creditors: Amount falling due within one year	11	(2,031)	(6,000)
Net current assets		<u>47,954</u>	<u>51,135</u>
Total assets less current liabilities		<u>59,601</u>	<u>51,800</u>
Net assets excluding pension asset or liability		<u>59,601</u>	<u>51,800</u>
Total net assets		<u><u>59,601</u></u>	<u><u>51,800</u></u>
The funds of the charity			
Restricted funds	12		
Restricted income funds		431	-
		<u>431</u>	<u>-</u>
Unrestricted funds	12		
General funds		59,170	51,800
		<u>59,170</u>	<u>51,800</u>
Reserves	12		
Total funds		<u><u>59,601</u></u>	<u><u>51,800</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

For the year ended 31 July 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the board on 21 February 2022

And signed on its behalf by:

F. Qureshi

Trustee

21 February 2022

The Khayaal Theatre Company
Statement of Cash flows
for the year ended 31 July 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income per Statement of Financial Activities	7,801	31,003
Adjustments for:		
Depreciation of property, plant and equipment	2,762	222
Other gains/losses	-	-
(Decrease)/Increase in trade and other payables	(3,969)	6,000
Net cash provided by operating activities	<u>6,594</u>	<u>33,923</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(13,744)	-
Net cash (used in)/from investing activities	<u>(13,744)</u>	<u>3,302</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(7,150)	37,225
Cash and cash equivalents at the beginning of the year	57,135	19,910
Cash and cash equivalents at the end of the year	<u>49,985</u>	<u>57,135</u>
Components of cash and cash equivalents		
Cash and bank balances	49,985	57,135
	<u>49,985</u>	<u>57,135</u>

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Change in basis of accounting or to previous accounts

There has been no change to the accounting policies (valuation rules and method of accounting) since last year and no changes have been made to accounts for previous years.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
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Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
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Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
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Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
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Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
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Volunteer help	The value of any volunteer help received is not included in the accounts.
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Investment income	This is included in the accounts when receivable.
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Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
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Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.
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Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant & Machinery	25% Reducing balance
Motor Vehicle	25% Reducing balance

Trade and other debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Receipt of donated goods, facilities and services

All donated goods, facilities and services received are recognised within incoming resources and expenditure at an estimate of the value to the charity.

2 Company status

The company is a private company limited by guarantee and consequently does not have share capital.

3 Statement of Financial Activities - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Income and endowments from:			
Donations and legacies	52,267	-	52,267
Charitable activities	47,435	16,667	64,102
Other	3,302	-	3,302
Total	103,004	16,667	119,671
Expenditure on:			
Other	72,001	16,667	88,668
Total	72,001	16,667	88,668
Net income	31,003	-	31,003
Net income before other gains/(losses)	31,003	-	31,003
Other gains and losses:			
Net movement in funds	31,003	-	31,003
Reconciliation of funds:			
Total funds brought forward	20,797	-	20,797
Total funds carried forward	51,800	-	51,800

4 Income from donations and legacies

	Unrestricted	Total 2021	Total 2020
	£	£	£
Donations	13,227	13,227	30,707
Fees receivable	10,790	10,790	20,120
Friends' subscriptions	1,740	1,740	1,440
	<u>25,757</u>	<u>25,757</u>	<u>52,267</u>

5 Income from charitable activities

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Grants	121,349	16,666	138,015	64,102
	<u>121,349</u>	<u>16,666</u>	<u>138,015</u>	<u>64,102</u>

6 Other income

	Total 2021	Total 2020
	£	£
Gift Aid	-	3,302
	<u>-</u>	<u>3,302</u>

7 Other expenditure

	Unrestricted	Restricted	Total 2021	Total 2020
	£	£	£	£
Employee costs	34,858	5,713	40,571	20,291
Motor and travel costs	6,540	1,119	7,659	7,431
Amortisation, depreciation, impairment, profit/loss on disposal of fixed assets	2,688	74	2,762	222
General administrative costs	57,763	5,624	63,387	13,179
Legal and professional costs	37,886	3,706	41,592	14,360
	<u>139,736</u>	<u>16,235</u>	<u>155,971</u>	<u>55,483</u>

8 Net income before transfers

	2021	2020
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	2,762	222

9 Staff costs

Salaries and wages	40,455	20,291
	<u>40,455</u>	<u>20,291</u>

No employee received emoluments in excess of £60,000.

The average monthly number of employees during the year was as follows:

	2021 Number	2020 Number
Administration and production	4	1
	<u>4</u>	<u>1</u>

10 Tangible fixed assets

	Plant & Machinery	Motor Vehicle	Total
	£	£	£
Cost or revaluation			
At 1 August 2020	1,326	18,716	20,042
Additions	13,744	-	13,744
At 31 July 2021	<u>15,070</u>	<u>18,716</u>	<u>33,786</u>
Depreciation and impairment			
At 1 August 2020	1,315	18,062	19,377
Depreciation charge for the year	2,598	164	2,762
At 31 July 2021	<u>3,913</u>	<u>18,226</u>	<u>22,139</u>
Net book values			
At 31 July 2021	<u>11,157</u>	<u>490</u>	<u>11,647</u>
At 31 July 2020	<u>11</u>	<u>654</u>	<u>665</u>

11 Creditors:

amounts falling due within one year

	2021 £	2020 £
Other creditors	2,031	6,000
	<u>2,031</u>	<u>6,000</u>

12 Movement in funds

	At 1 August 2020	Incoming resources (including other gains/losses) £	Resources expended £	At 31 July 2021 £
Restricted funds:				
Restricted income funds:				
Amal - Said Foundation	-	16,666	(16,235)	431
<i>Total</i>	<u>-</u>	<u>16,666</u>	<u>(16,235)</u>	<u>431</u>
Unrestricted funds:				
General funds	51,800	147,106	(139,736)	59,170
Revaluation Reserves:				
Total funds	<u>51,800</u>	<u>163,772</u>	<u>(155,971)</u>	<u>59,601</u>

Purposes and restrictions in relation to the funds:

Restricted funds:

Amal - Said Foundation

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	11,217	430	11,647
Net current assets	47,954	-	47,954
	<u>59,171</u>	<u>430</u>	<u>59,601</u>

14 Reconciliation of net debt

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash and cash equivalents	57,135	(7,150)	49,985
	<u>57,135</u>	<u>(7,150)</u>	<u>49,985</u>
Net debt	<u>57,135</u>	<u>(7,150)</u>	<u>49,985</u>

15 Related party disclosures

Controlling party

The company is limited by guarantee and has no share capital; thus no single party controls the company.

The Khayaal Theatre Company
Detailed Statement of Financial Activities
for the year ended 31 July 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:				
Donations and legacies				
Donations	13,227	-	13,227	30,707
Fees receivable	10,790	-	10,790	20,120
Friends' subscriptions	1,740	-	1,740	1,440
	<u>25,757</u>	<u>-</u>	<u>25,757</u>	<u>52,267</u>
Charitable activities				
Grants	121,349	16,666	138,015	64,102
	<u>121,349</u>	<u>16,666</u>	<u>138,015</u>	<u>64,102</u>
Other				
Gift Aid	-	-	-	3,302
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,302</u>
Total income and endowments	<u>147,106</u>	<u>16,666</u>	<u>163,772</u>	<u>119,671</u>
Expenditure on:				
Employee costs				
Salaries/wages	34,858	5,597	40,455	20,291
Staff training	-	116	116	-
	<u>34,858</u>	<u>5,713</u>	<u>40,571</u>	<u>20,291</u>
Motor and travel costs				
Travel and subsistence	6,540	1,119	7,659	7,431
	<u>6,540</u>	<u>1,119</u>	<u>7,659</u>	<u>7,431</u>
General administrative costs, including depreciation and amortisation				
Depreciation of Plant & Machinery	2,524	74	2,598	4
Depreciation of Motor Vehicle	164	-	164	218
Advertisement	8,804	232	9,036	805
Equipment leasing and hire charges	618	770	1,388	2,721
General insurances	1,840	309	2,149	1,009
Refreshments	1,636	241	1,877	2,729
Stationery and printing	9,538	-	9,538	4,850
Subscriptions	884	-	884	249
Sundry expenses	1,302	463	1,765	798
Telephone, fax and broadband	1,780	135	1,915	823
Venue hire	31,361	3,474	34,835	32,380
	<u>60,452</u>	<u>5,697</u>	<u>66,149</u>	<u>46,586</u>
Legal and professional costs				
Accountancy and bookkeeping	934	116	1,050	380
Sub-Contractors	36,852	3,590	40,442	13,685

The Khayaal Theatre Company
Detailed Statement of Financial Activities

Other legal and professional costs	100	-	100	295
	<u>37,886</u>	<u>3,706</u>	<u>41,592</u>	<u>14,360</u>
Total of expenditure of other costs	<u>139,736</u>	<u>16,235</u>	<u>155,971</u>	<u>88,668</u>
Total expenditure	139,736	16,235	155,971	88,668
Net gains on investments	-	-	-	-
	<u>7,370</u>	<u>431</u>	<u>7,801</u>	<u>31,003</u>
Net income				
Net income before other gains/(losses)	<u>7,370</u>	<u>431</u>	<u>7,801</u>	<u>31,003</u>
Other Gains	-	-	-	-
	<u>7,370</u>	<u>431</u>	<u>7,801</u>	<u>31,003</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward	<u>51,800</u>	<u>-</u>	<u>51,800</u>	<u>20,797</u>
Total funds carried forward	<u>59,170</u>	<u>431</u>	<u>59,601</u>	<u>51,800</u>